

Participating Example

Amount Charged—\$150 Medicare allowed amount—\$100

Medicare pays 80% of <i>allowed amount</i>	\$80
AlaskaCare pays*	\$20
Doctor writes off	\$50
Balance owed by patient	\$0

*assuming the service is covered by both plans and deductibles are met

Nonparticipating Medicare providers

Nonparticipating Medicare providers may choose whether or not to accept Medicare assignment on an individual, case-by-case basis. You should ask any nonparticipating Medicare providers you see if they will accept assignment on your claim.

If your provider does not accept assignment on your claim, for most services there is still a limit on the amount you pay. This limit is 115% of the Medicare allowed amount and is called the *limiting charge*.

Medicare still calculates payment based on the Medicare allowed amount, and pays 80% of this amount. If the service is covered by AlaskaCare, it recognizes 115% of the allowed amount and pays the difference between what Medicare paid and the 115% that your provider can collect.

Nonparticipating Example

Amount Charged—\$150 Medicare allowed amount—\$100
Medicare limiting charge—\$115 (115% of \$100)

Medicare pays 80% of <i>allowed amount</i>	\$80
AlaskaCare pays*	\$35
Doctor writes off	\$35
Balance owed by patient	\$0

*assuming the service is covered by both plans and deductibles are met

A Medicare provider who does not accept assignment on your claim must still file your Medicare claim for you.

Suppliers of medical equipment such as wheelchairs, walkers, etc., have no limit on the amount they may

charge for the equipment if they are a nonparticipating provider. Medicare still pays 80% of the Medicare allowed amount and AlaskaCare pays the balance of the charges allowed by the plan.

Providers who "Opt Out" of Medicare

Providers who "opt out" of Medicare have signed a contract with Medicare stating that they will not bill Medicare for services provided to a Medicare beneficiary. These providers are prohibited from filing any claims with Medicare, and may charge you any amount for their services, with no limit. You may purchase services from such a provider, but the provider will require you to sign an agreement stating that you are responsible for payment in full.

Under a private contract:

- Medicare will not pay the doctor or you for the services you receive.
- No claim can be submitted for the service to Medicare.
- **The AlaskaCare Retiree Health Plan also will not pay anything for services under a private contract.**
- You will have to pay whatever the doctor charges you and there is **no limit** to what can be charged.

Opt Out Example

Amount Charged—\$150 Medicare allowed amount—\$0

Medicare paid amount	\$0
AlaskaCare pays	\$0
Balance owed by patient	\$150

Finding a Medicare provider

Ask your Medicare provider if he/she accepts assignment. If not, and you want to find a doctor who does, go to www.medicare.gov for a directory of participating Medicare providers.

MORE INFORMATION

Additional information is available from the federal Medicare website at www.medicare.gov. If you have questions about Medicare, you should contact the nearest office of the Social Security Administration or call their toll-free number, (800) 772-1213, or on the internet at www.socialsecurity.gov.

More information about the AlaskaCare Retiree Health Plan is available from the Division's website at www.state.ak.us/drb. You may contact the Benefits Section by phone toll free at (800) 821-2251, in Juneau at (907) 465-8600, or by email to benefits@admin.state.ak.us.

Alaska Division of Retirement and Benefits

State Office Building
333 Willoughby, 6th floor
PO Box 110203
Juneau, AK 99811-0203
Fax: (907) 465-4668
(907) 465-8600
1-800-821-2251

TDD for the hearing impaired:
(907) 465-2805

Email: benefits@admin.state.ak.us
ben048

The information in this brochure is not intended to replace the complete plan descriptions contained in the plan booklets. Language contained in the booklets govern the plans.

The Medicare and Social Security information in this brochure is an overview and is not intended to provide detailed information regarding Medicare or Social Security benefits.

Alaska Division of Retirement and Benefits

Medicare Parts A & B and the



Guide for Members of the
AlaskaCare
Retiree Health Plan



Medicare Parts A & B and the AlaskaCare Retiree Health Plan

INTRODUCTION

There are four parts to Medicare health coverage, Parts A, B, C, and D. (Contact Medicare for information on Part C.) The AlaskaCare Retiree Health Plan assumes that you and your eligible dependents are enrolled in Parts A and B of Medicare at age 65. However, you may become eligible for Medicare before age 65 if you have certain disabilities or End-Stage Renal Disease. Once enrolled, AlaskaCare coordinates with Medicare to pay most of your medical expenses.

We do not address Medicare Part D in this brochure because the prescription drug benefits you have through AlaskaCare are at least as good as the required benefits offered under Medicare Part D.

All information in this brochure applies to either you or your eligible dependents.

MEDICARE PART A

What it covers

Medicare Part A covers expenses for inpatient hospitalization and other inpatient service facilities, such as skilled nursing facilities.

Who is eligible

Most people are eligible for premium-free Part A coverage. This includes those who are eligible for a Social Security benefit. It also includes those who paid the Medicare tax while employed.

A few people are not eligible for premium-free Part A because they don't have enough Social Security or Medicare-covered employment. If you are not eligible for Part A, Social Security will send you a letter confirming that. You must

send a copy of that letter to the claims administrator. AlaskaCare will then continue to pay for Part A services just as it did before you turned age 65.

MEDICARE PART B

What it covers

Medicare Part B covers physician and other outpatient medical services, including ambulatory surgery center services.

Who is eligible

Everyone is eligible and must pay a premium for Part B, whether or not you are eligible for Part A.

MEDICARE ENROLLMENT

Social Security will send you a letter approximately three months before you turn age 65, telling you whether or not you are eligible for Social Security and premium-free Medicare Part A. Contact Social Security during this time if you think you should have received your letter but have not. If you receive Social Security payments, Medicare Part B premiums can be deducted from your check after you enroll. Even if you aren't eligible for Social Security, you can still enroll in Medicare Part B during this three month window and arrange to pay the premium directly to Medicare.

If you are working, and receive health insurance from your job, Medicare will tell you it is not necessary to enroll until your active employee health insurance terminates. However, the AlaskaCare Retiree Plan still recommends that, in certain situations, you enroll at age 65, even if Medicare does not.

CLAIM PAYMENT

Medicare's coverage is not the same as the coverage available under AlaskaCare. **Any service AlaskaCare covers that Medicare does not cover will be paid at the normal 80% rate, just as it was before you were enrolled in Medicare.** For expenses covered by Medicare and not by

AlaskaCare, such as some routine expenses like flu shots, Medicare pays but AlaskaCare does not.

Who pays first

For people age 65 and older, Medicare pays benefits before AlaskaCare in most cases. However, if you are covered by a plan you or your spouse receive as an actively working employee, that plan pays primary to Medicare, with Medicare paying second, and finally AlaskaCare. Medicare doesn't require you to enroll until the active plan terminates, but if you do not enroll, the amount that Medicare would have paid as the secondary plan is usually not paid by AlaskaCare.

How it works

The benefits under AlaskaCare are supplemental to Medicare beginning at age 65. For services covered by both plans, the claims are paid first by Medicare and then by AlaskaCare—with AlaskaCare coordinating to pay up to 100% of covered expenses, less any deductible you have not yet met.

If you don't enroll in Medicare at age 65, AlaskaCare will estimate what Medicare would have paid and deduct that amount before paying expenses. You'll have a larger part of the bill to pay. **Remember: Everyone** is eligible to enroll in Medicare Part B and should do so at age 65 to avoid paying for uncovered expenses.

Electronic claim filing

If Medicare is your primary plan, you are automatically enrolled in the Medicare Direct program with the AlaskaCare claims administrator. The provider files your claims with Medicare, who then sends you an explanation of benefits (EOB) when the claims are processed. At the same time, Medicare will electronically transfer the claim to the AlaskaCare claims administrator. Your Medicare EOB will tell you the claim has been transferred. The claims administrator processes the claim and sends an EOB to you. Medicare

Direct means less paperwork and faster turnaround. If you would like to opt out of this process, please contact the claims administrator at the telephone number on your AlaskaCare ID card.

Claims outside the United States

In most cases, if you receive care outside the U. S., Medicare does not cover your expenses and AlaskaCare will take this into account. Your claims will be paid under AlaskaCare, just as they were before you had Medicare. Some emergency services in Canada or Mexico may be covered by Medicare. Please check with Medicare for specific coverage information.

MEDICARE TERMS

Medicare allowed amount

Medicare sets the amount a doctor may collect from all sources, called the Medicare *allowed amount*.

Medicare assignment

Accepting assignment means that your Medicare provider has agreed not to bill you for more than the Medicare *allowed amount* for the services you have received.

TYPES OF PROVIDERS

There are three types of providers when it comes to Medicare--participating, nonparticipating, and those who "opt out."

Participating Medicare providers

Participating Medicare providers are required by their Medicare contract to accept assignment on your claims. Because you don't owe any amount over the Medicare allowed amount, AlaskaCare pays the difference between Medicare's payment and the allowed amount. Therefore, the claim is usually paid in full, unless you have not yet met your AlaskaCare deductible. Your provider must bill Medicare for you and Medicare's payment will be sent directly to your provider.